

A speech worth commenting on

I have spent the last few weeks in the USA, initially combining volcanic geology with fly fishing in Idaho, then experiencing the chaos in New York when the UN is in session. Taking a break from the daily quest to make sense of market movements can be useful in gaining a big picture perspective, making you wonder why we worry about daily moments and the noise that sits like a shroud over the crystal ball that holds the key to our fortunes.

Nothing much has changed though. Politics in the US continues to be poisoned by the vitriolic hate between Republicans and Democrats. The trade war is continuing with the focus moving onto tariffs to be placed on EU goods coming to the USA. Brexit continues to be biggest crises in the UK since the Battle of Britain. Hong Kong's pro-democracy protesters now look like they have become a chronic condition.

Interest rates all around the world are coming off as governments try and find the key to economic growth, and that includes Australia. As we suggested a few weeks ago, we have already seen the highest level markets will attain in 2019, so where can we get our "fix" if that view is correct. Gold still seems the most likely candidate.

Just when gold seemed to be giving up the ghost, falling to levels around US\$1,480/oz, it rallied strongly back to US\$1,515/oz as the equity markets slumped heavily during the week, though recovered somewhat by the weekend. Gold is doing what it is theoretically meant to do - provide a hedge against troubled times. However, does this mean that gold is only going to perform when equities are going down, at least for the moment? The gold price will perform along with international discord, and there seems to be plenty of that at the moment. We can expect US\$20-30/oz movements almost on a daily basis up or down, without having to alter our view of the big picture.

A Truly Significant Statement by ScoMo

The speech given by Scot Morrison in his address to the Lowy Institute will go down in history as one of the greatest given by an Australian Prime Minister on international politics. It articulated very clearly the need for international organisations such as the UN to be accountable to the diversity of national interests around the globe as opposed to just pushing extremist agendas by persons and groups that have no accountability to any type of democratic mandate from the countries whence they came. In fact, in many cases, those global agitators are failed or past politicians who no longer care about the majority of their original electorates. They are on a mission to reshape the world according to their personal perspectives, with the arrogance that goes with unaccountability.

Scott Morrison has addressed the issue in a way that has proved to be beyond that of the intellect of both Donald Trump and Boris Johnson. It can be said that these leaders are all marching down the same street in an active

pushback against "left wing liberals" (of the global type) in favour of what can be accurately described as the quiet majority. However, Morrison has spelled it out clearly without the emotional outrage which often contaminates the clarity. His is the reasoned voice.

Australia has been extensively criticised for not doing enough on climate change, yet we account for about 1.2% of carbon emissions. We are irrelevant in terms of what we emit. Those same countries that put the knife into Australia bend their knee to China, which emits more than 20x what Australia does. The corruption in international politics is never more clearly displayed than when Pacific island states accept money from China whilst lambasting Australia (and taking our money).

The other important recent statement by ScoMo was the calling out of China as no longer being a developing nation. It is not underdeveloped at all. How can the world's second largest economy be described as developing? It may have 500 million poor citizens, but this comes down to equitable distribution of wealth rather than total wealth. Perhaps a more socialistic policy rather than a communist policy would provide some balance, given that democracy is off the table.

If we wait until China believes itself to be a developed nation before stopping the subsidies and making it accountable for climate change, the amount of damage to the environment from this country alone will dwarf that of any other. All the noble efforts to push back the tide will have been in vain.

The demonstration of military power on the 70th anniversary of the Chinese Communist Party might have been impressive to some, but to me it looked like the pre-WW2 days of Hitler's Nazis preparing the world for what was to come. No nation spends so much money on the military unless it intends to put it to use. It is totally hypocritical for global institutions to be subsidising this military build-up to the tune of US\$100bn and more, and extremely naive to believe that it can lead to any good.

John Howard was a great Prime Minister. We now have a man leading the country who appears to be just as competent - a man who is prepared to stand up for Australia and Australians. What a great relief this is after the succession of failed leaders starting with Kevin Rudd and ending with Malcolm Turnbull. The world continues to be very troubled so we need strong leadership to steer us through the turmoil. The Shire has given us one of its best!


Disclosure: Interests nil.

Sentiment Oscillator: Not updated**Detailed Chart Comments**

NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.

Indices	Code		Trend Comment	
All Ordinaries	XAO		breached short term downtrend	
Metals and Mining	XMM		breached uptrend	
Energy	XEJ		breached uptrend	
Stocks	Code		Trend Comment (updated comments in bold)	Main Interest
Alpha HPA			new uptrend forming	HPA
Adriatic Resources	ADT		broad, shallower uptrend	zinc
Aeon Metals	AML		new low	copper + cobalt
Alacer Gold	AQG		new high	gold – production
Alkane Resources	ALK		sideways at its highs	gold, zirconia
Acacia Resources	AJC		Sideways at the bottom	coal
Alchemy Resources	ALY		breached uptrend - rights issue	nickel, cobalt
Alicanto Minerals	AQI		at recent highs - placement being done	gold exploration
Allegiance Coal	AHQ		resistance ar 15c	coal
Alliance Resources	AGS		could be a new uptrend starting	gold exploration
Altech Chemicals	ATC		sideways	industrial minerals - synthetic sapphire
Apollo Consolidated	AOP		rising	gold exploration
Arafura Resources	ARU		down	rare earths
Argent Minerals	ARD		new uptrend	silver
Aurelia Metals	AMI		breaching downtrend	gold + base metals
AusTin	ANW		new low	tin, cobalt
Australian Bauxite	ABX		breached uptrend	bauxite
Australian Potash	APC		continuing with uptrend	potash
Australian Mines	AUZ		breaching downtrend	cobalt/nickel
Australian Vanadium	AVL		new low	vanadium
BHP	BHP		heavy slump	diversified, iron ore
Base Resources	BSE		sideways	mineral sands
Bathurst Resources	BRL		down	coal
BBX Minerals	BBX		down	gold exploration
Beach Energy	BPT		risen through resistance line	oil and gas
Beacon Mining	BCN		pullback	gold production
Bellevue Gold	BGL		correcting lower after placement	gold exploration
Berkeley Energia	BKY		in secondary downtrend	uranium
Blackstone Minerals	BSX		steeply higher	gold, cobalt
Bounty Coal	B2Y		still in downtrend	coal
Breaker Resources	BRB		drifting	gold exploration
Broken Hill Prospecting	BPL		steeply higher, then all the way back down	minerals sands



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Buru Energy	BRU		testing uptrend	oil
Buxton Resources	BUX		continuing down	nickel exploration
Capricorn Metals	CMM		strong uptrend	gold
Cardinal Resources	CDV		breached downtrend	gold exploration
Cassini Resources	CZI		softer	nickel/Cu expl.
Celsius Resources	CLA		falling back to lows	copper/cobalt
Chalice Gold	CHN		new uptrend	gold exploration
Chase Mining	CML		uptrend breached	nickel/copper/PGE
Chesser Resources	CHZ		breached downtrend	gold exploration
Cobalt Blue	COB		breaching downtrend	cobalt
Dacian Gold	DCN		strong rise	gold
Danakali	DNK		sideways to lower	potash
Davenport Resources	DAV		down	potash
Egan Street Resources	EGA		under takeover offer, but weaker	gold
Emerald Resource	EMR		gentle downtrend	gold
Evolution Mining	EVN		new high	gold
Exore Resources	ERX		sideways	gold exploration
FAR	FAR		sideways at lows	oil/gas
First Graphene	FGR		short term down	graphene
Fortescue Metals	FMG		rallying	iron ore
Galaxy Resources	GXY		new low	lithium
Galena Mining	G1A		sideways movement	lead
Galilee Energy	GLL		new high	oil and gas, CBM
Gold Road	GOR		new high	gold
Graphex Mining	GPX		drifting lower	graphite
Heron Resources	HRR		new low	zinc
Highfield Resources	HFR		surge to new high then heavy pullback	potash
Hillgrove Resources	HGO		sideways	copper
Iluka Resources	ILU		down heavily	mineral sands
Image Resources	IMA		testing uptrend	mineral sands
Independence Group	IGO		new high	gold, nickel
ioneer (was Global Geoscience)	INR		testing downtrend	lithium
Jervois Mining	JVR		sideways at lows	nickel/cobalt
Jindalee Resources	JRL		slump, testing support line	lithium
Karoo Gas	KAR		heavy retracement	gas
Kasbah Resources	KAS		new low	tin
Kibaran Resources	KNL		down	graphite
Kin Mining	KIN		slump out of uptrend	gold
Legend Mining	LEG		stronger	nickel exploration
Lepidico	LPD		down	lithium
Lithium Australia	LIT		new low	lithium
Lucapa Diamond	LOM		continuing downtrend	diamonds
Lynas Corp.	LYC		breached uptrend	rare earths
Mako Gold	MKG		rising off lows	gold exploration

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Marmota	MEU		rising	gold exploration
MetalsX	MLX		rallying	tin, nickel
Metro Mining	MMI		back to downtrend	bauxite
Mincor Resources	MCR		continuing higher	gold
Musgrave Minerals	MGV		breached downtrend	gold exploration
Myanmar Minerals	MYL		down	zinc
Nelson Resources	NES		new low	gold exploration
Neometals	NMT		continuing down	lithium
Northern Cobalt	N27		breaching downtrend	cobalt
Northern Minerals	NTU		down	REE
Northern Star Res.	NST		breached uptrend	gold
NTM Gold	NTM		rising again	gold exploration
Oceana Gold	OGC		back into downtrend	gold
Oklo Resources	OKU		bounced off lows	gold expl.
Orecorp	ORR		rising again	gold development
Oro Verde	OVL		rising	rare earths
Orocobre	ORE		strong bounce	lithium
Oz Minerals	OZL		down	copper
Pacific American Holdings	PAK		sideways	coal
Pacifico Minerals	PMY		rising	silver/lead
Pantoro	PNR		down	gold
Panoramic Res	PAN		down	gold , nickel
Peak Resources	PEK		down	rare earths
Peel Mining	PEX		still down	copper
Peninsula Energy	PEN		down	uranium
Pensana Metals	PM8		down	rare earths
Perseus Mining	PRU		surge to new high	gold
Pilbara Minerals	PLS		down	lithium
PNX Metals	PNX		new uptrend forming	gold, silver, zinc
Polarex	PXX		breached uptrend	polymetallic exploration
Prodigy Gold	PRX		correcting	gold exploration
Ramelius Resources	RMS		new high	gold production
Real Energy	RLE		new low	gas
Red5	RED		new high	gold
Red River Resources	RVR		now in secondary downtrend	zinc
Regis Resources	RRL		pullback	gold
Resolute Mining	RSG		surge higher	gold
RIO	RIO		short term down	diversified, iron ore
Salt Lake Potash	SO4		new high	potash
Saracen Minerals	SAR		breached uptrend	gold
St Barbara	SBM		breached uptrend	gold
Sandfire Resources	SFR		down	copper
Santos	STO		into uptrend	oil/gas
Saturn Metals	STN		uptrend	gold exploration

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Sheffield Resources	SFX		rising again	mineral sands
St George Mining	SGQ		testing downtrend	nickel
Sipa Resources	SRI		recovered, to sideways pattern	general exploration - Ni,Cu, Co, Au
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		slump	mineral sands
Sundance Energy	SEA		heading lower	oil/gas
Syrah Resources	SYR		free fall on capital raising	graphite
Talga Resources	TLG		down	graphite
Technology Metals	TMT		sideways	vanadium
Tiger Realm	TIG		heavy slump on \$12m loss	coal
Troy Resources	TRY		testing downtrend	gold
Vango Mining	VAN		moving higher	gold
Vector Resources	VEC		suspended	gold
Venturex	VXR		down	zinc
Vimy Resources	VMY		sideways under LT downtrend	uranium
West African Resources	WAF		improving	gold
Westgold Resources	WGX		uptrend	gold
Westwits	WWI		down	gold
Western Areas	WSA		surge out of downtrend	nickel
Whitebark Energy	WBE		rising	oil and gas
Whitehaven Coal	WHC		down	coal
Yandal Resources	YRL		stronger	gold exploration
Zinc Mines of Ireland	ZMI		breached downtrend	zinc
Totals	36%	51	Uptrend	
	39%	56	Downtrend	
		143	Total	

Guides to Chart Interpretations

- Charts usually go pass from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represent both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, some times for obscure reasons. If a chart consistent gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast moving markets.

Amber Lights in Tables: Just a reminder if when the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

Weightings of Sectors Represented in the Company Charts			
Sector	No. of Companies	Weighting	
Gold	33	23.1%	
Gold Exploration	19	13.3%	
Nickel	10	7.0%	
Oil/Gas	9	6.3%	
Coal	8	5.6%	
Lithium	8	5.6%	
Mineral Sands	6	4.2%	
Zinc/Lead	7	4.9%	
Rare Earths	6	4.2%	
Potash/Phosphate	5	3.5%	
Copper	5	3.5%	
Cobalt	4	2.8%	
Graphite	4	2.8%	
Tin	3	2.1%	
Iron Ore	3	2.1%	
Uranium	3	2.1%	
Bauxite	2	1.4%	
Vanadium	2	1.4%	
Silver	2	1.4%	
Diamonds	1	0.7%	
Other	3		
Total	143		

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